

§ 68c.13

§ 68c.13 Under what circumstances can the service or payment obligation be canceled, waived, or suspended?

(a) Any obligation of a participant for service or payment to the Federal Government under this part will be canceled upon the death of the participant.

(b)(1) The Secretary may waive or suspend any service or payment obligation incurred by the participant upon request whenever compliance by the participant:

- (i) Is impossible;
- (ii) Would involve extreme hardship to the participant; or
- (iii) If enforcement of the service or payment obligation would be against equity and good conscience.

(2) The Secretary may approve a request for a suspension of the service or payment obligations for a period of 1 year. A renewal of this suspension may also be granted.

(c) Compliance by a participant with a service or payment obligation will be considered impossible if the Secretary determines, on the basis of information and documentation as may be required, that the participant suffers from a physical or mental disability resulting in the permanent inability of the participant to perform the service or other activities which would be necessary to comply with the obligation.

(d) In determining whether to waive or suspend any or all of the service or payment obligations of a participant as imposing an undue hardship and being against equity and good conscience, the Secretary, on the basis of information and documentation as may be required, will consider:

(1) The participant's present financial resources and obligations;

42 CFR Ch. I (10–1–06 Edition)

(2) The participant's estimated future financial resources and obligations; and

(3) The extent to which the participant has problems of a personal nature, such as a physical or mental disability or terminal illness in the immediate family, which so intrude on the participant's present and future ability to perform as to raise a presumption that the individual will be unable to perform the obligation incurred.

§ 68c.14 When can a CIR-LRP payment obligation be discharged in bankruptcy?

Any payment obligation incurred under § 68c.12 may be discharged in bankruptcy under Title 11 of the United States Code only if such discharge is granted after the expiration of the five-year period beginning on the first date that payment is required and only if the bankruptcy court finds that a nondischarge of the obligation would be unconscionable.

§ 68c.15 Additional conditions.

In order to protect or conserve Federal funds or to carry out the purposes of section 487B of the Act, or of this subpart, the Secretary may impose additional conditions as a condition of any approval, waiver or suspension authorized by this subpart.

§ 68c.16 What other regulations and statutes apply?

Several other regulations and statutes apply to this part. These include, but are not necessarily limited to:

Debt Collection Act of 1982, Public Law 97–365 (5 U.S.C. 5514);

Fair Credit Reporting Act (15 U.S.C. 1681 *et seq.*);

Federal Debt Collection Procedures Act of 1990, Public Law 101–647 (28 U.S.C. 1); and

Privacy Act of 1974 (5 U.S.C. 552a).